

# **Frequently Asked Questions from Leaseholders**

**Q. What is the cost of the DNR reclaimed oyster shell which is expected to be available during fall of 2010 and early 2011?**

**A.** This is a new program for which the exact costs will not be known until we obtain some experience. However, we estimate that the cost will be \$2-\$5 per bushel. The range of costs will depend upon the amount of shell cleaning and transportation required.

**Q. Is any shell available to stabilize my lease ground now?**

**A.** Yes, but it is limited. Oyster shell can be purchased from oyster processing companies in Maryland, Virginia and other states. Reclaimed oyster shell will also be available beginning this fall through DNR's shell reclamation program. Shucked clam shells from Delaware and New Jersey may be a suitable alternative and may be purchased thru ARGO company. Call Jeff Johnson to make arrangements at 410-768-2444,.

**Q. Does Oyster Seed, Larvae, Clam and Oyster shell imported from Out of State need an import permit from the Maryland Department of Natural Resources?**

**A:** Yes, larvae, oyster spat on shell, oyster seed, oyster shell, live hard shell clams and soft shell clams and clam shell all require a shellfish import permit from the Maryland Department of Natural Resources prior to the applicant importing into Maryland. The purpose of the import permit is to protect against the introduction of shellfish pathogens and invasive species. Imported shellfish may be inspected by either the Maryland Natural Resource Police or Maryland biologist at either the export or import site. Inspection may include verification of the imported species, inspections of parasites, disease pathogen organism and invasive species. A shellfish import application can be obtained from our website or by contacting Steve Schneider 410-260-8329.

Here is the Regulation from Maryland Comar: 08.02.08.01

## **.01 Importation of Shellfish.**

**A. Definition.** In this regulation, the term "shellfish" includes live oysters, seed oysters, oyster shells, live hard-shell clams, live soft-shell clams, and clam shells.

B. Permit Required. A person may not import or possess within the State shellfish taken from waters outside the waters of the State for planting in the waters of the State, unless he first obtains a permit from the Department. The Department shall issue a permit if presented with satisfactory proof to the Department that the shellfish will not be harmful to Maryland shellfish.

**Q. I may need money to help start my shellfish aquaculture business, who do I need to contact to see if I qualify for loans or grants?**

A. The DNR will be announcing an aquaculture financial assistance program in September, and is considering a partnership with the Maryland Agricultural and Resource-Based Industry Development Corporation (MARBIDCO) to administer these funds. If you are interested in this program, please contact Mr. Steve Schneider (MD DNR) at 410-260-8329. You may also pursue other opportunities on your own such as thru U.S. Small Business Administration (704)344-6640, or your local county Department of Economic and Community Development.

**Q. So I need to plant oysters, where can I buy oysters to put on my lease?**

A. Seed oysters are available at the following locations:

MD Public Facilities:

1) University of Maryland Center for Environmental Science Horn Point Oyster Hatchery, Cambridge, MD. Orders need to be placed thru the Oyster Recovery Partnership (410-990-4970).

2) Department of Natural Resources Piney Point Aquaculture Facility, Piney Point, MD (301-994-0241).

There are also several private nurseries throughout the state and out of state that sell spat on shell and cultchless seed oysters. Please contact Don Webster 410-827-8056 for the current list of suppliers. A shellfish import permit is required for all out of state shell, seed and larvae. Permit application are available online at: <http://dnr.maryland.gov/fisheries/downloads/shellimportapp.pdf> and need to be submitted 30 days before hand, contact Steve Schneider 410-260-8329.

**Q. Can I transfer a lease to someone else, or reduce the size of an existing lease in order to comply with the new law?**

A. Yes. Forms are available to facilitate lease transfers. You may also reduce the size of your lease. Contact Steve Schneider 410-260-8329 for more information.

# **Prospective Leaseholder Questions**

## **Q. When can I apply for a new lease?**

**A.** The DNR will begin accepting new lease applications in September 2010. A new application form is being developed in coordination with the Maryland Department of Environment and U.S. Army Corps of Engineers. By including the information needed by all agencies involved in the permit review process, this new form should expedite the review process.

## **Q. Can I place my name on a waiting list?**

**A.** No waiting list for leases will be kept. The Department will announce the opening of the lease program publically and will not accept lease applications until that time.

## **Q. What costs are involved in obtaining a bottom lease through the Department of Natural Resources?**

**A:** The Maryland Department of Natural Resources requires a non-refundable \$300 application fee to accompany the application form for a submerged bottom lease. If the lease is granted, there is an annual fee of \$3.50 per acre for submerged land lease.

## **Q. When are Aquaculture Enterprise Zones available for leasing?**

**A.** The DNR is in the process of securing a permit from the U.S. Army Corps of Engineers and Maryland Board of Public Works. The DNR is optimistic that this permit will be approved shortly and applications for the two AEZ's in the Patuxent River will begin to be accepted in September 2010.

## **Q. What are the costs of leasing in the AEZ?**

**A:** Water column leases within the AEZ have \$150 application fee and \$40 per acre annual rent fee.

## **Q. How long will it take between applying for a lease and being able to work the lease?**

**A.** For bottom leases areas outside of an AEZ, expect the process to take at least 3 months. Part of the Lease application review process includes a notification of adjacent landowners and publication in local newspaper to allow the public to comment during a 30 day period after the notice

## **Loan / Grant Applicant Questions**

**Q. How long after I submit my application and shellfish business plan for a loan or grant can I expect to receive a reply back?**

**A.** We expect the review process to take approximately 30 days after a complete application is submitted, and if approved, funds will typically be available 2 to 3 weeks after loan closing. MARBIDCO may require evidence of equipment purchase before releasing funds.

**Q. What happens if I don't repay my loan?**

**A.** All borrowers are expected to repay their loans under the terms of their loan agreements. All loans must have the personal guarantee(s) of the borrower(s). A loan default will be reported to the credit bureaus, and the debt obligation may be collected through the judicial system.

**Q. Can my equipment be repossessed?**

**A.** These aquaculture loans are being made on an unsecured basis, so equipment cannot be directly repossessed.

## **Landowner Questions**

**Q. I live on the water. Leases have not been allowed in my county for many years but they will be soon. Now that someone can lease the water in front of my house, I'm concerned about how this will affect my property value, my access to open water, and my quality of life.**

**A.** If someone requests a lease directly in front of your property, you will be notified by mail. You will be able to find the details of the lease, and you'll have the opportunity to provide comments on the lease during the public notice period; the Department can deny the lease or request that it be moved.